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THE MEXICAN OIL EXPROPRIATION AND THE ENSUING PROPAGANDA WAR

By Robert Huesca

The Mexican nationalization of foreign oil holdings in 1938 unleashed a torrent of English-language propaganda in a battle for the support of American officials and public opinion. The Standard Oil Company of New Jersey led the fight in the corner of the foreign operators with the publication of a series of news bulletins, pamphlets, and books often touted as "a factual summary of the events" (Standard Oil 1938b: 1). The Mexican government countered by publishing a variety of periodicals and economic documents and by dispatching teams of officials, labor leaders, and academics to address U.S. audiences in public forums.

Observers of the period from both the United States and Mexico noted the fever pitch of the propaganda and the media coverage that the expropriation generated. Mexican representatives consistently decried the disinformation campaign waged by Standard Oil through the U.S. press and called on their government to act to reverse the damaging effects (Beteta 1940e; Calderón 1938; Castillo Nájera, AGN 1938b; Hay 1938; Noriega 1938; Suárez 1940). Ambassador Josephus Daniels noted in his memoirs that the oil companies "started to build propaganda fires under the [U.S.] government to compel a return of the properties" (Daniels 1947: 231), and a freelance writer criticized the "intense campaign which the oil companies carried out in the Mexican and foreign press and which for sheer distortion of facts has probably never been equalled" (Millan 1939: 200). Yet the *New York Times*, conveying oil company assertions, argued that the Mexican government was not only propagating false information, but was also using that material to mislead even its own people ("People of Mexico" 1938).

A survey of materials published by both sides in the oil debate reveals not so much disinformation, as attempts to focus readers' attention on specific factors of the expropriation by repeating certain images and omitting others. Furthermore, a limited review of archival material sheds some light on Mexico's perception of the seriousness of the oil company propaganda and exposes some of the motivations and actors on the part of the government. Finally, an examination of U.S. newspapers provides a method of assessing the ability of the Mexican government and the oil companies to influence American editors. A study of propaganda effects on the U.S. press is important for any analysis of the impact on American public policy, since entry into these publications would have reached a wider audience and might have guided public opinion either for or against Mexico.

Oil Company Propaganda

For about two years after the Mexican oil expropriation, Standard Oil regularly published press releases, pamphlets, newsletters, appendices, magazines, and books distributed at no charge "in the interest of an informed public." The pamphlets discussed the company's history in Mexico, the legal basis of its operations, the country's record of debt repayment, the issue of American rights abroad, and the indemnification process (Standard 1938a and b, 1940a, b, and c). The five books and six appendices that Standard published claimed to reflect the opinions of the average American, provided deeper background on the day's issues, and dealt with law, the debt, and the State Department's role in the expropriation.

Standard always claimed to hold an objective position when presenting arguments against the Mexican expropriation by reprinting articles, editorials, and cartoons from the world's press. In this way the company deemphasized its own vested interest in the expropriation and pointed out that international opinion had ruled against the Mexican action. *Mexico at the Bar of Public Opinion* best exemplified this approach by reprinting articles and editorials from the United States and Latin America. In the book's preface, author Burt McConnell wrote, "In no other nation could one find such a variety of able, independent, and clearly written editorials on any public question" (McConnell 1939: iii). Yet readers found scant variety among the entries, which were in fact article excerpts rather than editorials. And although the introduction claimed that articles were selected in a random fashion, the reprinted selections appeared to be handpicked diatribes against Mexico. For example, the reporters most frequently selected were writers who disliked Mexico's policy and wrote articles reflective of their opinions. Frank L. Kluckhohn of the *New York Times* and Henry J. Allen of the Topeka *State Journal* were the most frequently reprinted writers, both being cited ten times in the book. After them, Betty Kirk of the *Christian Science Monitor* and J. H. Carmical of the *New York Times* were the next most frequently cited writers. Both Kirk and Kluckhohn were correspondents in Mexico, and their repeated inclusion is logical, if for no other reason than the high volume of copy they produced. But Allen and Carmical were both working from their local bases and seem to have been included simply because of the acerbic tone of their articles on Mexico. Furthermore, prolific writers in the field like Upton Close, who wrote for the *St. Louis Post-Dispatch*, the *Washington Evening Star*, and other newspapers, and Anita Brenner, who wrote for the *Milwaukee Journal*, were virtually ignored, being cited only once each, and in short fragments. Both Close and Brenner wrote more in-depth pieces that tended to expose information unfavorable to the oil companies and sympathetic to Mexico.

In addition to reprinting articles of the period, *Mexico at the Bar of Public Opinion* included forty editorial cartoons from newspapers throughout the United States. The drawings invariably, and predictably, invoked images of the stock Mexican: the stout, mustachioed tobacco fiend, with a towering Emiliano Zapata sombrero, and broken shoes, huarache sandals, or bare feet. As the images of the Mexican were limited, so too were the themes pursued by cartoonists. More than half of the drawings conveyed the message that the oil expropriation amounted to nothing less than thievery and an opportunity seized by the Mexicans to insult the gringos. In the same vein, the seizure was depicted as a convenient maneuver undertaken by a slothful government. American cartoonists also highlighted the Good Neighbor Policy and the accommodating attitude of Uncle Sam. In this scenario, Mexicans played the role of subversives, actively working to thwart U.S. accommodation. Another set of cartoons reflected the position that Mexico itself was the true victim of the expropriation, an assertion repeatedly made in newspaper editorials at the time. A fear mentioned regularly in diplomatic circles and in the press, Nazi and communist influence in Mexico, made only token appearances in the cartoons reproduced by Standard Oil. But an interesting nuance of many of the cartoons was the manner in which they viewed the Mexican action as an affront to American interests in general, rather than a injustice against the oil companies in particular. Oil companies in the United States had received a good deal of bad press because of their perceived greed, allegedly unethical dealings with labor, and product sales to the Axis powers. Cartoonists may have attempted to distance themselves from the oil companies by broadening the issues in U.S.-Mexican relations. This tactic, however, benefited Standard Oil, which relentlessly denied charges of recalcitrance and eagerly pointed to other industries that were experiencing difficulties with the Mexican government.

Using the same tactic of tapping non–Standard Oil news sources, the company published, in both Spanish and English, a monthly broadsheet with the claim, "The material herein has been taken from published sources and is reproduced without comment" (Standard 1939b). *Looking at Mexico . . .* or *De Cómo Ven a Méjico . . .* did, in fact, present views from numerous locations and publications, but limited its content to stories that reflected unfavorably on Mexico (Standard 1938c, 1939b). Articles reprinted from newspapers like the *Wall Street Journal*, the *New York Herald Tribune*, the *Danville* (Va.) *Bee*, the *Topeka Capital*, *Excélsior*, *El Universal*, and *La Prensa* may have conveyed a sense of legitimacy and impartiality to the Standard Oil propaganda campaign, especially since many of the charges in the stories could not be refuted. In fact, articles that asserted that Standard had provided housing, education, water, and electricity to its workers, who

were the highest wage earners in Mexico, were corroborated by some Mexican sources of the period (Bosques 1937; Compañía n.d.; Mexico 1940).

Less evenhanded than the news monthly and the bound anthology of editorial opinion by McConnell was another series published by Standard. On these readings alone Standard appears as the benevolent foreign investor lured into the swampy backlands of Mexico, only to be betrayed by a government fully informed of the company's mission from the outset.

> Discovery and development of the known oil fields in Mexico were the achievement of British and American pioneers, who came into this region at a time when it was a little-known, pest-infested, tropical wilderness. They came at the express invitation of the Mexican government for the specific purpose of trying to find and to develop oil fields. (Standard 1938a: 1)

Once it had struck oil, Standard took the lead in providing the highest wage scale and most comprehensive package of benefits in Mexico.

> It furnished free housing, free fuel and light, medical and hospital care for the worker and his entire family, free transportation, education and recreation facilities, plus contributions to savings funds and other benefits. (Standard 1938b: 1)

In the most dramatic of all its pamphlets, Standard portrayed the Mexicans as lacking the entrepreneurial spirit characteristic of the American oil men. In fact, the Mexicans appear little more than opportunistic manipulators.

> For several years the Mexicans watched these Americans going into unhealthy jungles and drilling wells which produced little or no oil. The Mexican attitude was one of incredulity and indifference . . . As soon as it became apparent, however, that the Americans had struck oil in a big way, the incredulity of the Mexican politicians gave way to envy, and the indifference was transmutted (*sic*) into cupidity. The temptation to appropriate what foreign ingenuity, energy and capital were developing in Mexico proved irresistible. Slowly but surely the Mexican Government reached out its fingers and began to squeeze. (Standard 1940b: 1–2)

One of the more substantive topics written up by Standard concerned Mexico's inability to fulfill indemnification payments and the country's poor record on settling its former debts, particularly those resulting from the massive land reform (Standard 1940a). "Mexico's long record of default" totaled $493 million, Standard claimed. In addition, bonded indebtedness totaled $976 million, most of which had been in default since 1919. Although the pamphlets never suggested that the United States dispatch the marines, they did advance veiled threats, and certainly urged increased pressure from the State Department (Standard 1939a). This tactic was probably counterproductive, as Cárdenas reacted strongly against the oil companies' petitions to U.S. representatives (Townsend

1952). Although the pamphlets all focused on a specific topic, they all shared the underlying theme that the expropriated properties should be returned to private hands.

Mexican Publications

Prior to the oil expropriation, Mexico had already created the infrastructure for an English-language propaganda network. In December 1936, President Cárdenas initiated the Departamento Autónomo de Prensa y Publicidad (DAPP) as part of his "sales campaign on behalf of the Six-Year-Plan, blueprint of his administration" (Plenn 1939: 28). The DAPP operated out of the Foreign Relations Secretariat and functioned as the government's official press office, handling both foreign and domestic news inquiries. Shortly after the expropriation, the DAPP coordinated all legal and political "informaciones" regarding oil, and Cárdenas instructed the entire Mexican diplomatic corps to channel all propaganda complaints and suggestions to it (Hidalgo 1938).

Although the Mexican Congress officially created the DAPP in late 1936, it had actually been publishing books and periodicals since 1934. Most of its editorial activity had been in Spanish during this period, but it also published a weekly, four-page document of government news called the *Weekly News Sheet.* Furthermore, it published a book, *Guide to the History of Mexico* by Alfonso Teja Zabre, which it distributed free with the condition, "If you like it and want to keep it, send remittance, if not, return the book" (Advertisement, *Weekly News*, 1935: 4). The *Weekly News Sheet* routinely carried declarations from and reports on the various ministries in the government. In addition, the bulletin periodically carried essays on socialist education, agrarian reform, and other social welfare programs. Occasionally, the sheets provided official government statistics that may have been useful to foreign correspondents, the targets of the publication. But more frequently, the pages were crowded with platitudes.

After the oil nationalization, Mexico's incipient propaganda machine gained momentum rapidly. The most regular publication during this period was the *Mexican Labor News*, an 8 1/2 by 11 inch weekly, published by the Workers University of Mexico, and distributed to 4,000 individuals and organizations abroad for a one-dollar annual subscription fee. In the months prior to the expropriation, reporting in the labor publication focused on the legal dispute and its technicalities and on the obstinacy of the oil companies. In general, these articles chronicled the legal phases of the appeals process in the Mexican courts and also reported on actions taken by government and labor officials ("Mission of Oil," "Oil Companies Refuse," "Oil Fight Tactics," "Oil Situation Marks," "Supreme Court Upholds," 1938).

The Mexicans frequently reported on their ability to run the oil industry in the event that the foreign companies abandoned the country. And the newspaper continually reassured its readers that the nation would not be adversely affected by an oil company pullout. These declarations may have had two functions: to avert public panic if and when the industry were nationalized, and to maintain pressure on the oil giants. In fact, labor leaders like Vicente Lombardo Toledano, head of the Confederation of Mexican Workers (CTM), spoke of the expropriation of foreign operations as inevitable, according to his declarations published in *Mexican Labor News*.

After the government expropriated the foreign holdings, the oil issue appeared on the pages of *Mexican Labor News* more regularly, and the focus of the coverage shifted from legal aspects to issues of imperialism, national sovereignty and economic well-being, oil company cooperation, and international support. Mexico emphasized that the principles of national sovereignty, which had been recognized internationally, permitted the government to expropriate the properties and to settle indemnification terms in its own courts. President Lázaro Cárdenas told an audience in Sinaloa, "'We have the right to defend our sovereignty and," the President added, "in this matter, fortunately, it has received the juridical recognition of all the countries of the world" ("Mexico Will Not" 1939). And the newspaper repeatedly parroted labor's assertions that the oil companies were mere agents of imperialism ("Oil Workers Confident" 1939, "CTM Condemns Anti-Labor Meddling" 1941). Often, messages of economic health and freedom accompanied anti-imperialist themes. On the first anniversary of the expropriation, Cárdenas called the action "historic, affirming the economic and political stability of Mexico" ("Labor Groups Lead" 1939). This message continued to the second anniversary celebration where the masses "paraded through the streets with cheers and music and with banners that proclaimed: 'The Wealth of Mexico Must Be Possessed by Mexico!'" ("Mexico Celebrates Second" 1940). Finally, *Mexican Labor News* optimistically reported on negotiations with the oil companies and stressed the likelihood of compromise and a final solution throughout 1939 and 1940. This approach caused some uneasiness among labor leaders in Mexico, but was probably in the nation's best interest abroad, as it gave the appearance that the Mexicans were willingly and actively participating in negotiations. Since the labor publication was officially sanctioned, liberals in the United States could theoretically display the newspaper as informal evidence of Mexican policy, and thereby combat U.S. hard-liners urging a more punitive position from the State Department.

Apart from *Mexican Labor News*, the government's most elaborate project was the publication of *Mexico's Oil*, a gargantuan 881-page translation of the report (originally 2,700 pages) prepared by the Federal Board of Conciliation and Arbitration in August 1937

(Hamilton 1982). The report appeared to be a solid work documenting the details of the economic and social situation of the oil companies and their employees. For example, the book convincingly demonstrated that foreign workers in Mexico earned substantially more than the native Mexican laborers who virtually could not work up to managerial positions. Furthermore, it showed that foreign companies paid their Mexican laborers three to four times less money than their U.S. workers performing comparable services.

Whereas much of the information reflected negatively on the foreign companies, many of the details tended to support the position of the oil companies. For instance, the book pointed out that the oil companies complied with federal housing laws and provided workers with residences that the report qualified as in good condition. It also reported that the companies provided their workers' children with schools, which had adequate water and sanitary services. Only about half of the classrooms contained desks and chairs, however, and the student-teacher ratio was forty-eight to one. Finally, some of the details of the government's award to workers, such as a 42,000-peso fund for hiring bands, did appear removed from the issues of wages, benefits, and working conditions.

The only other English-language publication initiated by the Mexican government during this period was a monthly, 16-page magazine called *Mexico News*. Beginning in 1941, the magazine was issued free by the "Bureau of International News Service Department of State for Foreign Affairs." The publication acted as a document of record to a large degree, reprinting political speeches and focusing on government reports. Very few of the articles dealt with petroleum, and those that did provided production statistics in a straightforward and largely uncontentious manner.

Mexican Actors

Although the oil crisis accelerated the generation of English-language propaganda, Mexican leaders had previously acknowledged the need to present their version of events directly to the North American audience and were acutely sensitive to criticisms from outside the country. This sensitivity was certainly present at the inception of the Cárdenas administration and was reflected through the press office of the official party (all block quotations of primary documents appear in their original English or Spanish).

> When I was chosen Secretary of Press and Propaganda in the National Executive Committee of the National Revolutionary Party conclusive evidence was brought to my attention that agencies of several kinds were busy beyond our frontiers spreading misinformation about Mexico in general and the Party in particular. Therefore I suggested, and the Committee approved, the creation of an information bureau at the service of the foreign press and of foreign students of Mexican development . (Bosques 1937: ix)

The PNR's early press office shared many of the same strategies and techniques of the government's DAPP with which it fully cooperated in some propaganda efforts (Hay 1936a). Documents in the Mexican archives provide further evidence of how the government perceived foreign propaganda, which agents played key roles in the strategy to influence U.S. opinion, and what options were proposed and acted on by the administration.

Like the PNR's press office, the government's public relations department expressed concern regarding U.S. opinion long before the oil expropriation, and took action to evaluate and counter adverse foreign reports. During 1936, a steady flow of articles reached Cárdenas from a clipping service in the United States (Corresponsales 1936). These files included reports from all regions of the nation in large and small newspapers such as the *Rosicrucian Digest*, *Whittier* (Ca.) *News*, *New York Daily News*, *El Paso Times*, *Christian Science Monitor*, and the *Breeze-Courier* (Taylorville, Ill.) (ibid.). These early evaluations must have proved dissatisfactory as Mexico moved quickly to combat unfavorable reports, using a strategy of delivering its message directly to the American audience.

In October 1936, for example, the government arranged to have an early speech by Cárdenas transmitted on shortwave radio, "a fin de que sea escuchado en las dos Américas" (Hay 1936b). Furthermore, a three-minute segment was to be translated into English and transmitted on the NBC radio network (ibid.). The Mexican embassy in Washington functioned as an active, central station for efforts to reach the U.S. public. By early 1936, the embassy had compiled a list of 10,000 names that it believed would greatly benefit the image of Mexico in the United States.

> El fichero en cuestión fué (*sic*) preparado por nosotros con todo cuidado y nos ha sido extremadamente útil en Washington para contrarrestar, como se ha podido, la inaúdita campaña católica anti-mexicana . . . En estos días vamos a remitir a la Secretaría de Relaciones Exteriores unas quinientas fichas más de "Amigos de Mexico."[1]

Upon reaching Mexico, the list of names was regularly used for sending materials produced by the secretariat's publicity department (Hay 1936a).

Although the interest in foreign news was established by early 1936, Mexican activity in this area increased dramatically after the oil nationalization. Ambassador Castillo Nájera corresponded regularly, sometimes on a daily basis, with President Cárdenas regarding how Mexican events were portrayed in the United States (Castillo Nájera, AGN

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[1] Luis Quintanilla, letter from the chargé d'affaires (encargado de negocios) in the Washington embassy to Cárdenas, February 15, 1936.

Washington embassy, many officials and writers had requested copies of the document (Hay 1938). Although the translation of the findings was not completed until 1940, it is clear that the project was given a top priority within the DAPP (Arroyo Ch. 1938).

Mexican efforts to combat negative images in the United States continued until the eventual settlement, but no new major projects were initiated. Rather, the government acted in an ad hoc manner, taking advantage of situations as they occurred. For example, the Mexican Supreme Court's denial of a Standard Oil injunction, or *amparo*, appeal was immediately translated into English, printed in pamphlet form, and distributed to all Mexican consulates for press dissemination (Various 1939). In another instance, the government reprinted and issued in the United States 10,000 copies of a speech made in Austin, Texas, by Sinclair Oil's lawyer lauding a financial settlement between Mexico and the company (Leñero, 1940). This decision was specifically approved by Cárdenas (ibid.).

In addition to generating and reproducing favorable propaganda, the Mexican government moved to restrict negative reports regarding the oil question, though this action was the exception rather than the rule. In fact, the only case of expulsion of a foreign correspondent under Article 33 involved Frank Kluckhohn of the *New York Times*. Kluckhohn, who had also been ejected from Spain as a correspondent, virulently opposed the expropriation, and personally believed the American government should have pressured Mexico to return the properties to the oil companies (Ickes 1954: 604). His writings contained virtual ridicule of Cárdenas and displayed absolute certainty of the failure of the government's reformist policies.

> Entre tanto [Cárdenas es] un líder indio-mexicano con algunas gotas de sangre española en sus venas trata de forjar la nación en un nuevo molde utilizando para el objeto herramientas poco usuales y un yunque no muy firme . . .
>
> Hoy en día, a pesar de la expropiación de las propiedades petroleras, de los ferrocarriles y de la tierra, no obstante las múltiples frases henchidas de pensamientos elevados que fueron difundidas por el México oficial, existe poca diferencia entre el nivel de la pobreza general de ahora comparado con el de 1910.
>
> México está regido por una tiranía sutil, que por eso no es menos real.[5]

Pressures on Cárdenas to expel Kluckhohn appear to have come from various sources. Enrique Gutmann, editor of Editorial Masas, sent the president a full translated version of Kluckhohn's still unpublished book, *The Mexican Challenge*, and for eight months sought an emergency conference with Cárdenas on matters of "national and international importance" (Gutmann 1938). Cárdenas repeatedly canceled without notice appointments to see Gutmann and may never have met with him. But representatives from the DAPP also

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[5] "Expulsiones" file contained the unpublished manuscript of *El reto mexicano* by Frank L. Kluckhohn, no date, pp. 1 and 3.

complained that Kluckhohn chronically and "maliciously misinterpreted" Mexican policies (Plenn 1939: 337). In mid-January 1939, Kluckhohn was ordered out of Mexico, "a marked departure from the usual Cardenas policy on the press" (ibid.).

A final tactic employed by the Mexican government to shape public opinion in the United States was to dispatch officials, social leaders, and academics who would defend the government's position before conferences, meetings, and university audiences. A flurry of such activity took place in the spring of 1940, when a team of Mexican political leaders and diplomats traveled to Washington to attend the American Scientific Congress. CTM leader Lombardo Toledano traveled across the United States and spoke to audiences at the Foreign Policy Association, the International Institute of Industrial Relations, the American Federation of Labor (AFL), and the Congress of Industrial Organizations (CIO). During that trip he held 52 press conferences in defense of Mexico's image, emphasizing the struggle against fascism (Lombardo Toledano 1978: 131).

> Hablé, supuesto que era el tema, de esto: "¿Tienen los trabajadores de México y de los Estados Unidos una tarea común?" Hablé de esta tarea común y dije en síntesis: el facismo sólo puede triunfar a condición de transformarse en un régimen universal de gobierno... la tendencia es quitar mercados a los Estados Unidos, ganar influencia política ante los gobiernos latinoamericanos, influir en la educación cultural de sus pueblos, para aislar a los Estados Unidos... el fascismo nos entregaba una tarea común: combatirlo hasta exterminarlo en América y en el mundo entero. (Ibid.: 129–130)

Other appeals for travel funding, which Cárdenas eventually granted, indicate broad interest among leftists to serve as government image builders.

> Es una brillante oportunidad y una gran tribuna para hacer la defensa de México, y en particular de su postura revolucionaria frente a la Empresas petroleras y el Derecho Internacional. EL FRENTE [Socialista de Abogados] cuenta con destacados intelectuales como Mario Sausa, González Aparicio, y otros para desempeñar un papel brillante en la defensa del Cardenismo en la misma Capital Norteamericana. Pretende luego enviar una brigada de oradores a todas las regiones de este Continente con iguales finalidades. Por el momento y con la urgencia del caso, necesita la ayuda del Gobierno para pagar los gastos de viaje de los o del delegado que irá a la Capital de Norte América.[6]

Although Rincón appears to haven taken the initiative in sending a delegation to Washington, he was actually following the lead of the President. Earlier that month, Cárdenas summoned Ramón Beteta, subsecretary of foreign relations, from repatriation tasks on the Texas border to an emergency meeting in Acapulco (Cárdenas, AGN 1940a). The substance of their meeting is not known, but Beteta immediately set out for

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[6] Valentín Rincón, letter from Mexico City lawyer to Cárdenas, April 22, 1940.

Washington and New York, where, for two weeks, he met privately with U.S. diplomats and participated in public forums. His detailed and confidential accounts filed regularly to Cárdenas indicated that he was following explicit orders from the president.

Beteta's correspondence demonstrated incisive understanding of the U.S. press, discerning analysis of his government's situation and options, and an ambiguous transformation as between his early and final assessments of the most fruitful courses of action available to Mexico. Beteta understood that American editors measured drama to determine news value, and he specifically loaded his addresses with controversial statements to exploit that principle. He rationalized his tactic with Cárdenas, stating, "No obstante los riesgos que esto implica, creo que es conveniente que hable yo, pues es la única manera de 'crear noticias' sobre México que de otro modo, los periódicos no publican" (Beteta 1940a).

Before making his address, however, Beteta met with a number of political and labor leaders informally, and discovered an underlying sympathy for the Mexican position. At an informal dinner with John C. Collier (Department of Indian Affairs), Harold Ickes (secretary of the interior), Henry Wallace (secretary of agriculture), J. Chapman (subsecretary of agriculture), James Young (Department of Foreign Trade), Felix Frankfurter (Supreme Court justice), and Lee Pressman of the CIO, Beteta had an opportunity to meet privately with various leaders and talk in depth on the U.S. position on the oil crisis (Beteta 1940b). Specifically on the expropriation, Beteta optimistically wrote to Cárdenas, "Tengo el agrado de comunicar a usted que la opinión unánime de las personas presentes fue en el sentido de que México tenía razón" (ibid.). And if his account was indeed accurate, prominent U.S. officials demonstrated unwavering assurance to Mexico.

> El secretario de Gobernación, Sr. Ickes, dijo entonces "nosotros no vamos a ir a México a ayudar a las compañías a que vuelvan a tomar posesión de sus propiedades." Contesté que así lo esperábamos nosotros, pero que el solo temor del pueblo de que sí lo hicieran, temor que estaba explicado en vista del tono y el tiempo en que se mandó la última nota americana, era suficiente para tener repercusiones políticas en México. (Ibid.)

Beteta received similar reassurances from other administration officials; nevertheless, he remained somewhat preoccupied with Mexico's image in the press (Beteta 1940d). Of a public address he made at the Town Hall Club of New York, Beteta wrote that he was satisfied with the results, but dubious about receiving a fair trial in the press.

> Aunque no me toca a mi calificar el resultado, creo que la conferencia fué un éxito; las preguntas que al final de élla me hicieron fueron fácilmente contestadas. Sin embargo, vamos a ver cómo toma la prensa el asunto. No me extrañaría que

> alguno de los periodistas presentes tergiversaran alguna frase o mal interpretaran algún concepto. (Beteta 1940c)

In response, he suggested that Mexico mount a press offensive in the United States, making use of the contacts he developed on his brief tour. Details of his proposal are not known, but it may have included making use of an afternoon newspaper in New York, *P.M.*, whose editor, Kenneth Crawford, had offered Beteta assistance during an informal social event.

> Como resultado de mi conversación con el Sr. Crawford, convenimos en que procurará usar su influencia para, en lo posible disminuir la campaña contra nuestro país.... Esta puede ser una oportunidad verdaderamente extraordinaria que creo debemos aprovechar como parte del programa que mas tarde habré de proponer a usted sobre el problema de la publicidad de este país. (Beteta 1940b)

Cárdenas offered full support to Beteta, who then met with New York publicity agents in search of a counteroffensive strategy (Cárdenas, AGN 1940b). This crash course on the U.S. media helped Beteta to refine the issues involved in Mexico's image problem, to understand better the structure of news enterprises, and to adjust his strategy in approaching the oil conflict. For example, conversations with representatives from the travel business revealed that Mexico suffered from an image of instability that had severe effects on its tourism industry (Beteta 1940e).

These interviews highlighted the linkages among oil company propaganda, media coverage, and the level of tourism, but they also emphasized the structural difficulties of manipulating the press.

> Mientras más me adentro en el problema de publicidad, más me doy cuenta de sus dificultades, en vista de la organización pre-establecida que cierra todos los canales a quien los grandes intereses desean perjudicar. Creo, sin embargo, que no es imposible llegar a tener los medios de una publicidad efectiva, siempre que se conozca en detalle la organización de los periódicos y revistas, las conexiones que tienen con las agencias de noticias, como la "United Press" y la "Associated Press" y el funcionamiento de unos y otros organismos. (Ibid.)

By the end of his interviews, Beteta seemed to have shifted his strategy away from the press and more toward potential allies within the U.S. administration.

> Creo que estamos en un momento crítico en el que pueden componerse o descomponerse mucho en las próximas semanas. Si aprovechando la opinión del primer grupo que es la del Gobierno, y el que está más cerca de ser amigo nuestro y de comprender lo que puede representar, en un caso dado, la amistad de México, podemos convencerlo de que le es más conveniente e inclusive más cómodo y más barato a los Estados Unidos ayudarnos en esta lucha contra las compañías petroleras, que seguir haciendo presión sobre nuestro Gobierno para que sea él quién ceda, con lo cual sólo consigue enajenarse la buena voluntad de nuestro pueblo. (Ibid.)

Nevertheless, Beteta's conviction that Mexico needed to initiate a program of molding public opinion remained solid. He wrote to Cárdenas, "Si las compañías [petroleras] lograran convencer a la opinión pública de este país de que México constituye un peligro para su seguridad, estaríamos expuestos a cualquier atropello" (ibid). As previously stated, the details of Beteta's plan are unclear, but evidence suggests that Cárdenas approved of an immediate $10,000 disbursement to a New York publicity agent to begin combating Mexico's negative image in the United States (Asociación 1940).

Whereas the Cárdenas administration expressed concern about the media problem in the United States, it was clearly not obsessed with combating negative images at any cost. Both Mexicans and Americans advanced dozens of suggestions on how the government should present its case in the United States; the majority received grateful replies and were quickly forgotten. Many of the plans were quite detailed and in advanced stages of planning, and one had even been commissioned by Cárdenas shortly after taking office. For example, a group called the "Comisión de Estudios" developed a publicity campaign to be directed by the oil workers union (Calderón 1938). The Comisión had defined the areas where publicity was needed and had assigned articles to its team of writers. Another suggestion, typical of foreign mail received during the period, proposed to network the Mexican view across the United States (Noriega 1938). Los Angeles journalist Gordon L'Allemand offered to coordinate Mexican propaganda through radio KFVD in Southern California and Communist party newspapers in Chicago, San Francisco, and New York. Neither of these efforts ever got off the ground.

Measuring the Spillover Effects of the Propaganda Efforts

In their efforts to shape public opinion, both the Mexican government and Standard Oil hoped to provoke spillover effects in other publications. An examination of newspaper articles and editorials in two regions of the United States provides a limited media sample with which to assess the success of the various propaganda efforts.

Editorials in the *New York Times* overwhelmingly sided with the oil companies throughout the conflict, and its immediate comment on the crisis claimed, "Mexico Defeating Itself." The *Times* repeated this point of view whereby Mexico was seen as the true victim of its actions because of the immediate decrease in revenues and subsequent deterioration of the economy (ibid., "Problem in Mexico" 1938; "Labor in Mexico" 1940).

Almost all the editorials started with the observation, which paralleled the U.S. government's position, that Mexico indeed had the right to expropriate foreign oil holdings, but that expropriation should have been followed up with "adequate, effective and prompt

payment for the properties seized" ("Mexican Oil Problem" 1939). They then continued to recommend punitive action against Mexico, or to direct demands for a return of the properties. The most frequent action suggested in the *Times* was the cancellation of silver purchases from Mexico ("Note to Mexico" 1940a and b; "No Mexican Arbitration" 1940). The editors argued that the United States had no need for silver, which they contended was being sold at artificially high prices and which subsidized the defiant behavior of the Mexicans ("Note to Mexico" 1940b). Furthermore, they said, the accommodating attitude of the State Department should be abandoned in favor of a more aggressive position that would set an example for other countries in a position similar to that of the Mexicans ("Problem in Mexico" 1938).

> For if Mexico is establishing a precedent by taking possession of foreign holdings, so are we by the attitude we assume toward this policy. If by the modern interpretation of the Monroe Doctrine, which we call the Good Neighbor Policy, this Government claims a protective interest in the relations of the nations of this hemisphere with the rest of the world as Mexico's friend and neighbor, it is our responsibility to give a wise and firm directive to a course which greatly affects our own international interests and relations. (Ibid.)

After more than a year of fruitless negotiations, the *Times* maintained its position and went on to suggest renewed government pressure for the restoration of the properties ("Mexican Oil Problem" 1939).

> And if the State Department becomes convinced that the Mexican Government is not in position to make this "adequate and effective compensation," then its only realistic course is to insist on the return of the properties to their American owners. (Ibid.)

Up to the eve of a final settlement, *Times* editors maintained their position of nonnegotiation ("Bargain with Mexico?" 1941). They opposed Treasury Department and Import-Export Bank loans to Mexico rumored to coincide with payments to expropriated oil companies: "It would be unwise for the United States to display an easy tolerance for broken contracts" (ibid.).

The *Times* viewed Mexico as singularly responsible for evading a settlement with the oil companies by refusing to submit the case to international arbitration ("Mexican Reply" 1938).

> The position which president Cardenas has taken cannot fail to sharpen the disagreement prevailing between his country and our own. It jeopardizes not only the Good Neighbor Policy of the United States, but the economic position of Mexico itself. (Ibid.)

The editors also viewed as unscrupulous the oil barter deal between "socialistic Mexico and totalitarian Germany" ("Profit Motive" 1938). The editorial promised to reserve judgment

on Mexico's decision, but concluded, "History, in fact, knows races and colors which have lifted themselves out of servitude with the aid of arms sold by a greedy munition merchant at a fancy price." The only shift in the *Times'* position appeared after Cárdenas left office ("Change in Mexico" 1941). The newspaper noted a more hospitable attitude in Mexico, especially concerning offers advanced by Interior Secretary Miguel Alemán. It concluded that the Mexican shift occurred naturally as a reflection of the failure of the socialist experiment under Cárdenas and the realization of the dangers of a Nazi victory.

The *Times'* editorial opposition to Mexico coincided with negative news coverage in general throughout the final years of the Cárdenas administration. News clips regularly filed by the embassy in Washington rarely displayed articles favorable to Mexico. But a one-month survey of two newspapers reveals marked differences in reporting angles and in the influence of Standard Oil.

During March 1938, the *New York Times* printed 32 expropriation stories, 10 of them on page 1, and the *San Antonio Express* published 29 articles, 1 of them on page 1. The *Times* had its own correspondent in Mexico City, while the *Express* relied on news from the Associated Press (AP) or the United Press (UP). Facts surrounding the expropriation—the number and value of the companies affected, the disputed wage increase—coincided for the most part in both newspapers' reporting. The slant of stories, however, tended to vary to a great degree. Stories in the *New York Times* provided consistent coverage of oil company statements in communicating the expropriation story, but only rarely bothered to balance articles with a response from the Mexicans. Reliance on oil company sources was a trend established early in the *Times'* coverage of the petroleum conflict, and intensified after actual expropriation.

As early as August 1937, the *Times* had reproduced oil company press releases that tended to cast the industry in a benevolent light, while characterizing the workers as unreasonable money grubbers. A typical story lead read:

> United States and British petroleum companies operating in Mexico in a public statement today characterized as "grossly unfair and misleading" the recommendations issued last night by the Government investigating committee that the wages of the 18,000 oil workers should be raised $7,000,000 annually. The Government intervened two months ago to settle a nation-wide oil strike after the workers had refused to accept a nearly $2,800,000 or 33 per cent annual pay increase offered by the companies. (Kluckhohn 1937a)

This event could have been seen from a variety of perspectives, but the *Times* consistently chose to portray the occurrence as a case of workers refusing an oil company offer. Most *Times* stories reproduced charges made by oil company officials without providing the perspective of the government or of labor leaders.

The *Times* not only displayed workers and the government as unreasonable, but also portrayed the oil industry as unable to meet the financial demands resulting from official arbitration. This vision was made possible by relying on certain information and ignoring other documents. On one of the many wage deadlines, the *Times* wrote:

> The oil companies have contended not only that they are unable to pay wage increases of one-third the worker's salaries, but also that the system of operations established by the government's decision is for them impossible. (Kluckhohn 1937b)

This article not only contradicts the previously reported offer, but is even more reliant on oil company sources, a trend that continued up to and after the March expropriation. Of the story's eleven paragraphs, three directly quoted an oil company statement. The story began on page 1 and eventually paraphrased a labor source, but not until the ninth paragraph on page 4. "The workers contend that the government after months of investigation held the companies were capable of paying" (Kluckhohn 1937b).

When the *Times* did provide some visibility to the Mexicans, it came in stories tangential to the oil expropriation and at the bottom of articles. In a nineteen-paragraph story describing the mass parades in Mexico following the expropriation, President Lázaro Cárdenas' speech was quoted for an unprecedented seven paragraphs (Kluckhohn 1938h). Although the story began on page 1, all but one of Cárdenas' statements appeared on the jump to page 14. This long quote was probably permissible because the story discussed only the parade and did not delve into the oil question.

By contrast, the AP and UP's coverage in the *San Antonio Express*, while not pro-Mexico, tended at least to give a hearing to labor and government. In a story regarding a denial of an injunction filed by oil companies, the reporter described the ruling and then quoted Judge Manuel Bartlett to explain his findings (UP 1938a). The five-paragraph story quoted no oil company sources, and drew on Judge Bartlett only in the fourth paragraph. In the *Times*, however, a four-paragraph article described the court denial and then called on British representatives to explain their unmet needs and financial limitations ("Foreign Oil Firms" 1938).

Even after the expropriation, the *Express* tended to provide wider coverage to a variety of Mexican officials in stories that were not necessarily favorable. With the headline "Mexico Moving toward Inflation," the *Express* story quoted "bankers" and Eduardo Suárez to explain the impact of the expropriation on the economy (AP 1938c). In the same story, the reporter drew a conclusion far different from the *Times'* writer regarding the blame for the conflict. "It was the refusal of the British and American petroleum companies

to put these [wage] increases into effect which led to expropriation of their properties" (ibid.).

Both newspapers devoted the largest number of their stories in March 1938 to examining the effects of the expropriation on gas and oil production, and on the economy overall. The *New York Times* saw the impact of the expropriation and the announcement of discontinued silver purchases from the United States as being disastrous to the Mexican economy, leading to a state of chaos throughout the country. "Mexico, which was a year ago enjoying a boom, was faced with the most serious crisis in years as the result of the campaign against foreign industry" (Kluckhohn 1938d). By expropriating the industry, Mexico had also increased worker expectations beyond its capability to control labor.

> The question taking firmer shape in many minds here, however, is whether in the long run President Lazaro Cardenas can control other labor elements, now that he has turned the vast petroleum industry over to the workers. Where the radical course of this southern neighbor of the United States is going to terminate lies in the answer to this question, and the answer appears more important to some observers than the immediate results of President Cardenas' expropriation of the oil companies, which is vitally affecting trade and the national economy. (Kluckhohn 1938g)

With oil production inaccurately reported as down by 85 percent, and the oil industry hampered by the blockade of many external markets, the Mexican economy appeared irreparably harmed. The *Times* reproduced a jumble of data that may have demonstrated an immediate crisis, but falsely implied that Mexico could not recover. Among the many statistics were the following: Mexico has 190 million pesos in outstanding bank notes and must mint 50 million pesos of silver to meet its domestic demand; minting capacity is 7 million pesos a month; Mexico exchanged bank notes to get 1 million silver pesos from the Bank of London yesterday; normal silver production is down by half since the expropriation; gold and silver reserves dropped by 44 percent since last August; the government must currently meet a 5.5-million-peso payroll assumed from the oil companies. All of these figures acted as a prelude to the contention that indemnification to the oil companies was highly unlikely (Kluckhohn 1938j).

Fiscally irresponsible, "Mexico's enigmatic strong man," as the *Times* began identifying Cárdenas, was dragging the country's economy toward socialism at a rapid clip:

> [Cárdenas] is committed to a far Leftist course. There is no telling how far the regime will go. The government is restricting other such moves at present because of financial difficulties, but Mexican labor has been officially informed that this is only a temporary check. (Kluckhohn 1938i)

Furthermore, the *Times'* in-house intellectuals feared a domino effect throughout Latin America.

> As a result, the safety to the South of the Rio Grande of the $4,500,000,000 (*sic*) United States capital and about a similar amount of European investments, mostly British, is left to any political group that may seize the government of any of these countries. If the Mexican Government is permitted to expropriate the foreign-owned oil properties, it is considered likely that Venezuela would be encouraged to do the same thing eventually. (Carmical 1938)

By contrast, the economic assessment in the *San Antonio Express* was far less hysterical and probably a good deal more accurate. Days after the expropriation, a story with the headline "Gasoline Supplies in Mexico Ample" stated, "The manifesto by President Lazaro Cardenas of Mexico Friday night expropriating foreign oil companies has not lessened the availability of gasoline." Likewise, the newspaper said that "Mexican Oil Supply at Normal, Is Reported," adding that refineries were operating at their pre-expropriation levels. When economic instability was reported, the stories had a calm tone explaining that "controlled inflation" was being used to ease the "monetary situation precipitated by expropriation of the foreign oil industry" (AP 1938c). Even the decision to suspend silver purchases was viewed as having a negligible impact on the Mexican economy. More important, according to the AP, was the political shift in Washington represented by the suspension of silver purchases (AP 1938d).

Both newspapers mentioned periodically that the oil expropriation was only the beginning of a series of industry takeovers. The *San Antonio Express* downplayed the likelihood of the extension of expropriation to the mining industry, mentioning "rumors" on very few occasions (AP 1938a; "Miners Back Cardenas" 1938). The *New York Times*, however, virtually guaranteed the spread of expropriations and saw the conflict as part of a grand scheme of "applying the cardinal point of his six-year plan for the country, the so-called 'Mexicanization of industry'" (Kluckhohn 1938f).

> The foreign petroleum companies operating in Mexico are merely at the spearhead of a government-supported drive to make other large United States and British organizations, like mining and electric concerns leave the greater part of their income in Mexico. (Kluckhohn 1938a)

Neither newspaper was very adept at predicting the expropriation. They were not alone in calling the future, as Josephus Daniels deemed the announcement, a "bolt from the blue," and American oil representative Thomas Armstrong commented hours before the action that "Cardenas wouldn't dare expropriate us" (Kluckhohn 1938e; Meyer 1972: 343). Because of heavy reliance on oil company sources, the *Times* frequently parroted claims similar to that made by Armstrong. The *Times* gave prominent display to British statements that the Mexicans could not afford to expropriate their holdings ("Britons Hopeful Over" 1938). They also claimed that popular support of such an action was tepid.

> Already union members in the oilfields are indicating they do not want to work under the government because they are aware that it could sell petroleum domestically and that they are more likely to have wage reductions than increases that way.... There is always the possibility of force majeure to make President Cardenas assume control of the companies, observers concede, but the fact that the government and unions continue to vacillate makes a settlement more likely. (Kluckhohn 1938b)

Warning signals had been given periodically indicating readiness for an expropriation, but seldom were Mexican threats reported by the U.S. press, and on those rare occasions when declarations were published in the *Times*, they were located deep in the newspaper ("Mexican Workers Ready" 1938: 22).

Reporting of the expropriation itself was page 1 material in both newspapers and was reported in a similar manner (Kluckhohn 1938c; AP 1938e). However, one interesting detail distinguished the two reports and adds a significant point for historical consideration. According to reports in the *New York Times*, oil workers had executed a union order to take possession of the companies' Mexico City headquarters prior to the expropriation (Kluckhohn 1938c). This action apparently forced Cárdenas either to expropriate the foreign companies or to move against the Mexican workers.

The reaction of Mexican society overall was briefly mentioned, but usually only when activities somehow related to Americans. The outpouring of aid across all social levels, which is usually noted in most historical accounts, was ignored in the *Times* and lightly touched on in the final paragraph of a *San Antonio Express* report (AP 1938c). Several articles were written about mass parades, however, usually focusing on the threatening nature of the activities, manipulation by the government, or the lack of genuine support behind the large participation.

The Mexico City parade following expropriation received prominent coverage in both newspapers. The *Express* called the event a "monster demonstration," directed against American imperialism; "One cry swept like wildfire along the five lines of marchers—'one, two, three—three, two, one: los gringos se van' (the foreigners are getting out)" (AP 1938b). But before the *Times* covered the parade, they ran a story claiming that Cárdenas ordered 20,000 students, including kindergartners, to march from the Monument to the Revolution to the Presidential Palace (Kluckhohn 1938f). Besides being manipulated, the crowd, according to the *Times*, was possibly communistic, definitely unenthusiastic, and rudely anti-American.

> Except for school children in reds, yellows and pinks, some of whom saluted with the communist raised fist, it was largely an overalled and denim-clad mass that streamed through the central streets and raised myriad Mexican flags before President Cardenas. On the whole, the individual paraders appeared unexcited and

> even spiritless. Few well-dressed persons were to be seen and there were few spectators. Shops had their iron fronts down. One group marched chanting: "One, two, three, four, down with the Gringos." It was the first time that the derogatory Mexican word for Americans had been used publicly for many years. (Kluckhohn 1938h)

Both newspapers carried regional stories of the celebrations, where threatening images of bayonet-wielding soldiers kept at bay the mobs of women who hissed at tourists and chanted "Down with the Americans" (AP, *NYT* 1938).

The U.S. government maintained a fairly low profile during the expropriation period, but it was never seen by either newspaper as being supportive of the Mexican course of action. Both newspapers described Washington's initial response to the oil expropriation as "cool," and noted that a stern protest was unlikely (Kluckhohn 1938d; UP 1938b). But it appears that American journalists grew impatient with Washington's pace, blowing up U.S.-Mexico interactions wherever possible. On March 29, the lead story in both newspapers dealt with a note delivered to the Mexican foreign minister from Secretary of State Cordell Hull, specifying "fair, assured and effective compensation" for expropriated lands (AP 1938e; Kluckhohn 1938k). The contents of the note were never revealed to the press; nevertheless, both newspapers called the message forceful, causing Cárdenas to call an "urgent" session of congress to discuss a 100-million-peso internal loan.

News Omissions

Several angles on the expropriation story were never covered by Standard Oil, or by the newspapers studied, but because they are repeatedly mentioned in historical accounts, these issues must have been widely known at the time. If the details had been mentioned as background material where appropriate, the oil dispute probably would have been settled sooner. For example, the mechanism that granted wage increases—the arbitration and conciliation board—was in large part a result of earlier oil company requests for labor reform. The legal condition of a "conflict of an economic order," the device forcing arbitration when labor and management perpetually disagreed, was enacted at the request of the oil industry as a safety valve to overvalued union contracts (Ashby 1963). Furthermore, the oil executives supported the idea of a single union to represent workers. "Lo vieron como algo positiveo, pues estabilizaría las condiciones laborales a pesar de que presionaría para un alza de salarios" (Meyer 1972: 312).

As wages were frequently mentioned as being the highest paid in Mexico, the reporters should have pointed out that the bulk of the native workers fell in the lowest tiers of the salary scale. Information widely available before the expropriation documented that

highly paid positions were given first to the nationals of the operating company, then to other foreigners, and lastly to Mexicans (Mexico 1940: 50). Also important to note was that the few highly paid jobs favorably skewed the statistics upward, thus reflecting positively on the oil companies. Furthermore, the workers lived in zones with markedly higher costs of living, so that when adjusted to consumer prices, their wages were actually lower than those of railroad workers and miners (Ashby 1963). In addition, oil workers suffered a decline in purchasing power from 16 to 22 percent from 1934 to 1937 (Weyl 1939: 294; Hamilton 1982: 221). Finally, the newspapers never made the simple and obvious comparison between the Mexican worker's salary and the wage earned by the American equivalent. In 1930, the average wage for an unskilled American oil worker was $5.88 a day. A similar worker in Mexico earned 4.41 pesos a day—less than half the American wage (Mexico 1940: 75 and 190). One company, Gulf Oil, paid comparable salaries in both countries and avoided expropriation in 1938; yet the newspapers never mentioned this exception (Townsend 1952).

Both newspapers and the oil companies ignored charges of diversion of funds and of unethical marketing practices revealed in the government's investigative report. Hidden profits boosted the oil companies' claimed earnings up from 22 million pesos from 1934–1937, to 50 million during the same period (Ashby 1963). Equally ignored were the scandalous revelations that the oil companies were marking up product prices by as much as 350 percent above the world market rate in Mexico and selling at about a 40 percent discount to Canadian subsidiaries (Hamilton 1982: 221; Townsend 1952: 250). The *New York Times* reported that the oil companies had offered 26 million pesos plus back pay on the day of the expropriation (Kluckhohn 1938c). Yet the reporter never questioned how the funds were attainable by the companies, which for months claimed that the 26-million-peso figure would put them out of business.

Whereas newspapers frequently focused on the calamitous economic ramifications after the expropriation, none of the reports ever mentioned how the U.S. and British companies were contributing to the crisis. The ensuing devaluation, for example, was precipitated by sudden capital flight of the oil companies. Furthermore, the oil companies boycotted Mexican petroleum, attached their ships in European ports, and impeded equipment sales on a widespread basis (Weyl 1939).

Perhaps the most difficult area in which to measure omission, however, regards social services and living conditions. Worker living conditions in the various oil regions have not been well documented. Standard Oil's claims of social services were largely substantiated by the Mexican investigative commission. Yet some observers offered

moving narratives and sweeping statements indicating abject poverty and an absence of social services.

> Tampico is a town that challenges the imagination of a novelist, yet no book could ever capture more than a fragment of all that this region has meant in sheer human tragedy. Tampico is the throbbing, relentless reality behind the fight for oil; those who defend the companies have never walked these streets, never entered a worker's house, never seen human misery laid bare before their eyes. (Millan 1939: 215)

This version, which differs widely from the accounts reported by all parties, cannot be verified or refuted by newspaper reports because expropriation news was virtually always dispatched from Mexico City, New York, or Washington.

U.S. Policy and Public Opinion

Since the oil companies never recaptured their assets and were only repaid a fraction of their original indemnification demands, they obviously lost the fight to reverse the Mexican expropriation. Moreover, they failed to stir much public emotion over the oil issue and seem to have alienated several officials important to the development and execution of foreign policy.

At the time of the expropriation, the American Institute for Public Opinion, better known as the Gallup Poll, conducted hundreds of national surveys each year. At the peak of the publicity of the expropriation, the organization polled national attitudes regarding weight restrictions on freight trucks, the Olympic Games, profits tax, dirigibles, President Roosevelt's voter appeal, automobile travel, corporate salaries, government spending, Democratic presidential candidates, Roosevelt and a third term, and Germany (unedited listing March 20 to April 6, 1938; Gallup 1972: 94). The oil question was not only ignored at its peak of publicity, it was also omitted from polls in 1938, 1939, 1940, and 1941. In December 1938, when the poll asked the nation, "Which (1938) news story do you consider most interesting?", the responses were: Czech crisis, 23 percent; Nazi persecutions, 12 percent; Republican gains, 10 percent; Corrigan's flight, 7 percent; wage and hour bill, 6 percent; New England hurricane, 5 percent; business slump, 5 percent; World Series, 5 percent; struggle between Japan and China, 4 percent; CIO and AFL troubles, 4 percent; other, 19 percent (Gallup 1972: 131). Gallup repeated this type of year-end question in 1939 and again failed to stir the memory of the expropriation.

Although the press was perceived as being able to exert some influence over Washington policymakers, the pro-American bias in the *Times* and the overt propaganda from Standard Oil did not have much impact on the behavior of key officials. Daniels was sympathetic to Mexico throughout the expropriation, and frankly resented oil company

tactics of pressuring him both directly and via the State Department (Daniels 1947). When the State Department dashed off an "unduly sharp" note of protest to Mexico, it was delivered over the objection of Daniels, who suppressed its circulation among the foreign press (ibid.: 232). Furthermore, after receiving a puzzled response from Mexican Foreign Minister Eduardo Hay, who thought the expropriation discussions were proceeding satisfactorily, Daniels told Hay to consider the note never delivered (ibid.). Daniels urged the companies to settle for payment with oil and suggested that he be allowed to discuss matters directly with John D. Rockefeller. He wrote to Cordell Hull, claiming that the companies were not negotiating in good faith with the Mexicans, and that by requesting State Department assistance, the oil giants were acting "in violation of the constitution of Mexico," which they had agreed to recognize (ibid.: 238).

Generally, Hull was viewed as the most hard-line official in the United States, but this image was more puff than substance (Hamilton 1982; Meyer 1972). His "forceful" note to Foreign Minister Hay was, in reality, a lengthy, turgid history of how fair and democratic the United States had always been in relations with Latin America. The most forceful part of the note asked, "What specific action with respect to payment for the properties in question is contemplated by the Mexican Government, and what assurances will be given that payment will be made, and when such payment may be expected?" (Daniels 1947: 234). Hull was being lobbied by Standard Oil representatives, and he considered their position recalcitrant (Hull 1948). Eventually, the United States entered into settlement negotiations without the cooperation of Standard Oil. In dealing with the company's representatives, Hull set the conflict in an international context and attempted to delineate the ramifications of the industries' inflexible demands.

> I tried to place it on a broader basis by outlining to them the world situation and the important role Mexico could play in cooperation with us. I stressed the Axis activities being conducted in Latin America and the help Mexico had already given us in preventing strategic materials from going to Japan. (Ibid.: 1141)

Like Hull, Harold L. Ickes, Secretary of the Interior, took an international view when looking at the expropriation issue. "I took occasion to remark that if bad feelings should result in Central and South America as a result of the oil situation that exists just now with Mexico, it would be more expensive for us than the cost of all the oil in Mexico" (Ickes 1954: 352). By December 1938, Ickes viewed Mexico's economy as being near bankruptcy; he even alluded to a possible revolution, which he felt was being encouraged by the oil companies (ibid.: 521). The aggressive position maintained by Standard Oil apparently sparked panic in some official quarters, which effectively favored a settlement amenable to the Mexicans.

Conclusion

The 1938 oil expropriation precipitated a major propaganda campaign by Standard Oil of New Jersey, which further intensified similar actions already taken by the Mexican government. The effort waged by Standard was truly massive, resulting in pamphlets, weekly news releases translated into Spanish, and books. The company's action reflected an attitude and operating method it had maintained over the years in dealing with conflicts in Mexico. Rather than working quietly and compromising with the Mexican government, the oil company had always stood firm on its demands, using highly publicized negotiating techniques that forced matters into the public domain. By pushing Mexico to the wall, the oil company raised the stakes of the original labor conflict to all-or-nothing levels and eliminated any space within which the government could negotiate. While this tactic achieved a large degree of success in influencing U.S. news coverage and editorial opinion on the expropriation, it failed completely when it came to rallying American policymakers to force a return of the company's assets.

Mexico responded to Standard's publishing program and the avalanche of press coverage with its own media campaign, which, while not as massive as the oil company's, was more varied and perhaps more effective. The Mexican government issued a few publications during the oil conflict, but also used its existing diplomatic agencies to disseminate its message throughout the United States. The publication of *Mexican Labor News* and of *Mexico's Oil* appears to have had a negligible impact, as their messages were never quoted in the establishment press. Conversely, the publication of *Mexican Labor News* antagonized at least one correspondent who claimed the government was misleading its people.

More successful was the government's program of using its existing diplomatic corps to disseminate information. Documents from the Mexican archives demonstrate that the diplomatic corps was highly organized; decisions from the center were quickly dispatched and implemented among all the consulates in the United States. In Mexico City, the government was geared to take quick action on matters of propaganda. For example, correspondence from internal agencies received responses from Cárdenas himself sometimes within 24 hours (Cárdenas AHGE 1940; Suárez 1940). Furthermore, officials moved in a matter of days to wrap up business in one corner of the country and travel on extended trips to the United States. Ramón Beteta best exemplified this flexibility and its rewards. On his trip to Washington and New York, Beteta reported productive, intimate meetings with U.S. officials and leaders with whom he forged alliances. Also, his correspondence clearly reveals a reconceptualization of the functioning of the American

media and a consequent reformulation of strategies to combat negative images of Mexico in the United States.

Newspaper coverage of the expropriation tended to reflect the views of Standard Oil, both in editorial and news content. The *New York Times*, normally reserved and conservative, led the charge against Mexico, speculating on the underlying motives of the expropriation and demanding firmer action on the part of the State Department. Much of the reporting from Mexico and all of the stories from New York were heavily dependent on oil industry sources who received sympathetic treatment by and large. This was probably due to the individual reporter Frank Kluckhohn who was eventually expelled from Mexico. Kluckhohn not only told U.S. officials that he personally believed the expropriated properties should be returned to the companies, but he had established a reputation as a biased reporter among colleagues in Mexico City (Ickes 1954; Plenn 1939).

Despite the large doses of negative coverage given to Mexico by the most powerful newspaper in the United States, public opinion remained unmoved on the oil expropriation; the issue simply never assumed a prominent role among current events. And the oil companies' highly publicized campaign to pressure Mexico probably had an adverse effect with regard to U.S. officials. At best they were annoyed by the insistence of the companies; at worst they were alarmed into dealing favorably with Mexico.

Regardless of the many efforts to publicize points of view and to sway public opinion, other world events ultimately overshadowed the oil expropriation and the interests of competing factions. Media attention was largely focused on military aggressions in Western Europe and Asia, which, in turn, seem to have guided public opinion. Oil company propagandists found themselves competing with a powerful war story that they could not wipe off the front page of the nation's newspapers. In fact, the number of oil conflict stories published in the *New York Times* in 1941 plummeted 80 percent compared to the number of articles printed in the preceding three years. World War II and the fears of losing Mexico as an ally contributed more than any amount of propaganda to the mellowing of demands by U.S. officials regarding the expropriation. After hundreds of articles were written and reams of paper wasted, events beyond either country's borders emerged as the decisive factors influencing the settlement of the Mexican oil expropriation of 1938.

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